

## STATE OF SOUTH CAROLINA

192057

## (Caption of Case)

IN RE: APPLICATION OF DPI TELECONNECT,  
LLC FOR CERTIFICATION AS AN ELIGIBLE  
TELECOMMUNICATIONS CARRIER

BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA

## COVER SHEET

## DOCKET

NUMBER: 2008 - 31 - C

(Please type or print)

Submitted by: Lance J.M. Steinhart, P.C.

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## DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition☐ Request for item to be placed on Commission's Agenda expeditiously☐ Other: Prefiling Extension Request

## INDUSTRY (Check one)

## NATURE OF ACTION (Check all that apply)

☐ Electric☐ Affidavit☐ Letter☐ Request☐ Electric/Gas☐ Agreement☐ Memorandum☐ Request for Certificatio☐ Electric/Telecommunications☐ Answer☐ Motion☐ Request for Investigator☐ Electric/Water☐ Appellate Review☐ Objection☐ Resale Agreement☐ Electric/Water/Telecom.☐ Application☐ Petition☐ Resale Amendment☐ Electric/Water/Sewer☐ Brief☐ Petition for Reconsideration☐ Reservation Letter☐ Gas☐ Certificate☐ Petition for Rulemaking☐ Response☐ Railroad☐ Comments☐ Petition for Rule to Show Cause☐ Response to Discovery☐ Sewer☐ Complaint☐ Petition to Intervene☐ Return to Petition☒ Telecommunications☐ Consent Order☐ Petition to Intervene Out of Time☐ Stipulation☐ Transportation☐ Discovery☒ Prefiled Testimony Revisions☐ Subpoena☐ Water☐ Exhibit☐ Promotion☐ Tariff☐ Water/Sewer☐ Expedited Consideration☐ Proposed Order☐ Other:☐ Administrative Matter☐ Interconnection Agreement☐ Protest☐ Other:☐ Interconnection Amendment☐ Publisher's Affidavit☐ Late-Filed Exhibit☐ Report

RETURN DATE: \_\_\_\_\_  
SERVICE: \_\_\_\_\_

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April 22, 2008

**VIA OVERNIGHT DELIVERY**

Mr. Charles Terreni  
Chief Clerk of the Commission  
South Carolina Public Service Commission  
101 Executive Center Drive, Suite 100  
Columbia, South Carolina 29210  
(803) 896-5100

Re: dPi Teleconnect, LLC  
Docket No. 2008-31-C

RECEIVED  
2008 APR 23 PM 2:06  
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Dear Mr. Terreni:

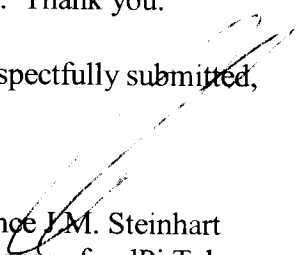
Enclosed please find for filing an original and twenty-five (25) copies of the company's replacement pages 1 – 21 to it's pre-filed testimony filed on April 16, 2008.

These replacement pages are made to change the spelling of Brian Bollinger to Brian Bolinger and correct the spelling of DPi to dPi. No other text changes have been made.

I have enclosed an extra copy of this letter to be date-stamped and returned to me in the self-addressed, postage prepaid envelope I have provided.

If you have any questions or if I may provide you with any additional information, please do not hesitate to contact me. Thank you.

Respectfully submitted,

  
Lance J.M. Steinhart  
Attorney for dPi Teleconnect, LLC

Scott Elliott, Esq. (w/enc)

Lessie Hammonds  
Office of Regulatory Staff  
1441 Main Street, Suite 300  
Columbia, S.C. 29201

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION OF**  
**SOUTH CAROLINA**  
**DOCKET NO. 2008-31-C**

**RECEIVED**  
2008 APR 23 11 2:01  
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COMMISSION

**IN RE:    Application of dPi Teleconnect, LLC    )**  
**For Certification                                )**  
**As an Eligible                                    )        DIRECT TESTIMONY**  
**Telecommunications Carrier                )        OF BRIAN BOLINGER**

I. Introduction

1    **Q:    PLEASE STATE YOUR NAME, YOUR POSITION WITH DPI**  
2           **TELECONNECT, LLC AND YOUR BUSINESS ADDRESS.**

3    **A:**    My name is Brian Bolinger. My title is Vice President of Legal Affairs of dPi  
4           Teleconnect, LLC (hereinafter sometimes referred to as “dPi”). My business  
5           address is 2997 LBJ Freeway, Suite 225, Dallas, Texas 75234.

6    **Q:    PLEASE PROVIDE A BRIEF DESCRIPTION OF YOUR BACKGROUND**  
7           **AND EXPERIENCE.**

8    **A:**    My background and experience, as well as other key members of dPi’s  
9           management team, is attached hereto as Exhibit A.

1

2 **Q: WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

3 **A:** The purpose of my testimony is to demonstrate that dPi meets the state and federal  
4 requirements for designation as an Eligible Telecommunications Carrier (“ETC”)  
5 in the State of South Carolina in the designated areas of BellSouth/AT&T service  
6 territory (the “Designated Service Area”). A copy of the List of Wire Centers is  
7 attached hereto as Exhibit B.

8 **Q: DOES DPI CURRENTLY PROVIDE TELECOMMUNICATIONS**  
9 **SERVICE IN SOUTH CAROLINA?**

10 **A:** Yes. dPi was granted a Certificate of Public Convenience and Necessity to  
11 Provide Local Exchange Telecommunications Services within the State of South  
12 Carolina Pursuant to Order No. 2000-0470 issued in Docket No. 98-640-C on  
13 June 5, 2000. dPi is also a common carrier as that term is defined in 47 U.S.C.  
14 §153(10), and dPi meets the requirements of 47 U.S.C. § 214(e)(1).

1  
2 **Q: DOES DPI CURRENTLY CONTRIBUTE TO THE FUNDING FOR**  
3 **UNIVERSAL SERVICE?**

4 **A:** Yes. Federal regulations require carriers such as dPi to contribute a portion of  
5 their revenues to the funding of federal universal service.

6 **Q: IS THE COMPANY PRESENTLY ABLE TO DRAW FROM FEDERAL**  
7 **UNIVERSAL SERVICE FUNDS FOR THE PROVISION OF THE**  
8 **SUPPORTED SERVICES IN SOUTH CAROLINA?**

9 **A:** No. Until it is designated as an ETC for those areas it serves in South Carolina,  
10 dPi is not able to receive any federal universal service funds to support its  
11 provision of universal services to South Carolina consumers.

12 **Q: BY OBTAINING ETC DESIGNATION, WILL DPI IMPROVE THE**  
13 **QUALITY OF BASIC SERVICE PROVIDED TO SOUTH CAROLINA**  
14 **RESIDENTS AND INTRODUCE ADVANCED SERVICES TO**  
15 **CONSUMERS SOONER?**

16 **A:** Yes. As required, if dPi receives ETC designation, any universal service funding  
17 it receives will be used only to support the provision, upgrading and maintenance  
18 of dPi's pre-paid residential network where dPi is designated as an ETC in South  
19 Carolina. As a result, dPi will be able to improve the quality of basic service by  
20 increasing the availability of this unique service to customers who reside in areas  
21 of the state where the service is currently unavailable and, due to credit and  
22 deposit requirements, may not be able to obtain the safety and convenience of  
23 telephone service from traditional providers. In addition, by using the funds to

1 reduce the cost of unbundled network elements (“UNEs”) obtained from the  
2 ILECs and used to provide service to its customers, designation of dPi as an ETC  
3 will speed the testing and deployment of advanced services such as wireless  
4 broadband to consumers in South Carolina.

5 **Q: WILL DPI’S CUSTOMERS EXPERIENCE OTHER BENEFITS AS A**  
6 **RESULT OF DPI’S DESIGNATION AS AN ETC?**

7 **A:** Yes. Since dPi is seeking only low income support, and Lifeline is designed to  
8 reduce the monthly cost of telecommunications services for eligible consumers,  
9 and is distributed on a per-customer basis and is directly reflected in the price that  
10 the eligible customer pays, it is assured that all support received by the carrier is  
11 used to provide Lifeline services to consumers, thus promoting Lifeline and the  
12 availability of telephone service to low income users, which is clearly in the  
13 public interest.

**Q: IS A COMPETITIVE LOCAL EXCHANGE CARRIER LIKE DPI  
ELIGIBLE FOR FEDERAL UNIVERSAL SERVICE SUPPORT?**

**A:** Yes. Both the 1996 Telecommunications Act ("TA'96") and the FCC's rules establish the directives for the Commission to follow in making an ETC designation. Section 214(e) of TA'96 specifically provides that any common carrier, including a competitive local exchange carrier such as dPi, may be designated as an ETC for federal universal service support purposes, provided that carrier meets the specific criteria set forth in Section 214(e)(1) of the Act, which dPi does.

**Q: WHAT ARE THE REQUIREMENTS FOR OBTAINING ETC  
DESIGNATION?**

**A:** The eligibility requirements were recently supplemented by the FCC. The initial requirements established by §214(e)(1) of the Act are still in place, and state:  
A common carrier designated as an eligible telecommunications carrier under paragraph (2) or (3) shall be eligible to receive universal service support in accordance with section 254 and shall, throughout the service area for which the designation is received:

(A) Offer the services that are supported by Federal universal service support mechanisms under Section 254(c), either using its own facilities or a combination of its own facilities and resale of another carrier's services (including the services offered by another eligible telecommunications carrier); and

1 (B) Advertise the availability of such services and the charges therefore using  
2 media of general distribution.

3  
4 **Q: IS DPI REQUESTING DESIGNATION IN THIS PROCEEDING FOR THE**  
5 **STUDY AREA OF ANY RURAL LEC IN SOUTH CAROLINA?**

6 **A:** No. dPi's Petition requests designation only in the wire centers of  
7 BellSouth/AT&T which have been classified as non-rural.

8 **Q: DOES DPI CURRENTLY HAVE INTERCONNECTION AGREEMENT**  
9 **WITH BELLSOUTH/AT&T?**

10 **A:** Yes.

11 **Q: IS IT YOUR UNDERSTANDING THAT DPI IS ENTITLED TO BE**  
12 **DESIGNATED AS AN ETC IF IT DEMONSTRATES THAT IT IS**  
13 **CAPABLE OF MEETING ALL OF THE OBLIGATIONS IMPOSED BY**  
14 **SECTION 214(e) OF TA'96 AS WELL AS THE NEW REQUIREMENTS**  
15 **ESTABLISHED BY THE FCC'S MARCH, 2005 ORDER?**

16 **A:** Yes.

17 **Q: THE FIRST CRITERION FOR ETC DESIGNATION UNDER SECTION**  
18 **214(e)(1) IS COMMON CARRIER STATUS. IS DPI A COMMON**  
19 **CARRIER?**



1    **A:**    Yes. dPi is a "common carrier" for purposes of obtaining ETC designation under  
2            47 U.S.C. § 214(e)(1). A common carrier is generally defined in 47 U.S.C.  
3            §153(10) as "any person engaged as a common carrier for-hire" in interstate or  
4            foreign communications utilizing either wire or radio technology, except for radio  
5            broadcasters.

6    **Q:    THE SECOND REQUIREMENT IS THAT DPI OFFER THE**  
7            **"SUPPORTED SERVICES." WHAT ARE THE SUPPORTED SERVICES**  
8            **THAT MUST BE OFFERED?**

9    **A:**    The FCC has identified (at 47 C.F.R. §54.101(a)) the following services and  
10           functionalities as the core services to be offered by an ETC and supported by  
11           federal universal service support mechanisms:

- 12           1. voice-grade access to the public switched network;
- 13           2. local usage;
- 14           3. dual tone multi-frequency signaling or its functional equivalent;
- 15           4. single-party service or its functional equivalent;
- 16           5. access to emergency services;
- 17           6. access to operator services;
- 18           7. access to interexchange services;
- 19           8. access to directory assistance;
- 20           9. toll limitation for qualifying low-income consumers

1    **Q:    CAN DPI CURRENTLY PROVIDE THE SUPPORTED SERVICES SET**  
2    **FORTH ABOVE USING ITS NETWORK THAT IS IN PLACE TODAY?**

3    **A:**    Yes. dPi's present network can provide all of the supported services to consumers  
4           in South Carolina. dPi recognizes its obligation to offer these services including  
5           the "toll limitation for qualifying low-income consumers" service that is linked to  
6           the federal "Lifeline" program and targeted at meeting the needs of low-income  
7           consumers. dPi, however, cannot participate in the federal Lifeline program until  
8           it receives its ETC designation. Once dPi receives ETC designation it will  
9           provide toll limitation as required by the FCC's rules.

10   **Q:    COULD YOU EXPLAIN EACH OF THE SUPPORTED SERVICES AND**  
11   **HOW DPI PROVIDES, OR WILL PROVIDE THESE SERVICES?**

12   **A:**    Yes. dPi presently provides or plans to provide each of the supported services  
13           identified by the FCC in 47 C.F.R. § 54.101(a) as follows:

14  
15           a.       *Voice-grade access to the public switched telephone network.* The  
16           FCC has concluded that voice grade service means the ability to make and  
17           receive phone calls, within a specified bandwidth and frequency range.  
18           dPi meets this requirement by providing voice-grade access to the public  
19           switched telephone network. Through its interconnection and commercial  
20           agreements, all customers of dPi are able to make and receive calls on the  
21           public switched telephone network within the specified bandwidth.

22           b.       *Local usage.* ETCs must include local usage beyond providing  
23           simple access to the public switched network as a part of a universal

1 service offering. dPi includes specified quantities of usage in its rate plans  
2 and thereby complies with the requirement. It is important to note, that  
3 currently, there is no specific rule that requires an ETC to include any  
4 particular amount of local usage, although all of dPi' service offerings  
5 include unlimited local calling.

6 c. *Dual-tone, multi-frequency ("DTMF") signaling or its functional*  
7 *equivalent.* DTMF, more commonly known as touch-tone, is a method of  
8 signaling that facilitates the transport of call set-up and detail information.  
9 Through its interconnection and commercial agreements, dPi provides  
10 DTMF signaling to its customers, which is the equivalent of that offered  
11 by the incumbent LECs to its customers.

12 d. *Single-party service or its functional equivalent.* dPi meets the  
13 requirement of single-party service by providing a dedicated message path  
14 for the length of all customer calls.

1  
2 e. *Access to emergency services.* The ability to reach a public  
3 emergency service provider by dialing 911 is a requirement in any  
4 universal service offering. dPi currently provides its subscribers access to  
5 911 emergency service in accord with this requirement, and consistent  
6 with FCC Regulations throughout the service area for which designation  
7 is sought. dPi also provides Enhanced 911 services including Phase I and  
8 Phase II E911 services where requested by local public safety authorities  
9 ready to receive the information and where the local exchange carrier  
10 supports such services.

11 f. *Access to operator services.* Access to operator services is defined  
12 as any automatic or live assistance provided to a consumer to arrange for  
13 billing or completion, or both, of a telephone call. dPi currently provides  
14 access to operator services though a 1-800 calling service. Customers can  
15 also obtain 1+ service through a third party provider to access such  
16 services.

17 g. *Access to directory assistance.* Much like operator services, dPi  
18 currently offers access to directory assistance services though a 1-800  
19 calling service. Customers can also obtain 1+ service through a third  
20 party provider to access such services.

21 h. *Access to interexchange service.* dPi meets the requirements of  
22 access to interexchange service by providing all of its customers with the  
23 ability to make and receive interexchange calls through 1+800 calling

1 services provided by third party LD carriers. Additionally, customers can  
2 obtain 1+ services through a third party provider, and are able to reach  
3 their IXC of choice by dialing the appropriate access code.

4 i. *Toll limitation for qualifying low-income consumers.* As  
5 previously mentioned, toll limitation for qualifying low-income  
6 consumers is linked to participation in the Lifeline program, which dPi  
7 will participate in and offer upon designation as an ETC. dPi will use the  
8 appropriate toll limitation technology to provide this required service at  
9 no additional charge to Lifeline customers.

1

2   **Q:   DOES DPI OFFER THE ABOVE-REFERENCED SUPPORTED**  
3       **SERVICES VIA ITS OWN FACILITIES OR A COMBINATION OF ITS**  
4       **OWN FACILITIES AND RESALE OF ANOTHER CARRIER'S**  
5       **SERVICES?**

6   **A:**   Depending on the type of service the customer requests and the precise location of  
7       the customer, dPi offers the supported services either through the purchase of  
8       switched port/loop combinations (UNEs) or through resale. These facilities are  
9       physical components of the telecommunications network that are used in the  
10      transmission or routing of the services for which support is requested. Because  
11      these facilities include unbundled network elements, the method by which dPi  
12      provisions the supported services is consistent with the FCC's rules found at 47  
13      CFR § 54.201(d)(1) through (i).

1 **Q: WILL DPI PROVIDE SUPPORTED UNIVERSAL SERVICES ONCE**  
2 **DESIGNATED AS AN ETC?**

3 **A:** Yes. dPi will provide all supported universal services once designated as an ETC.

4 **Q: WILL DPI PARTICIPATE IN THE LIFELINE AND LINK-UP**  
5 **PROGRAMS IF IT IS DESIGNATED AS AN ETC?**

6 **A:** Yes, as we stated in our Petition, upon designation as an ETC, dPi will participate  
7 in, and offer, LifeLine and Link-Up programs to qualifying low-income  
8 consumers and publicize the availability of Lifeline and Link-Up services in a  
9 manner reasonably designed to reach those likely to qualify for those services, as  
10 required by 47 C.F.R. §§ 54.401-54.417; 54.405(b)& 54.411(d).

11 **Q: A THIRD REQUIREMENT FOR DESIGNATION AS AN ETC IS TO**  
12 **ADVERTISE THE AVAILABILITY OF THE SUPPORTED SERVICES.**  
13 **HOW DOES DPI INTEND TO ADVERTISE THE AVAILABILITY OF**  
14 **THE SUPPORTED SERVICES?**

15 **A:** dPi advertises the availability of the supported services and the corresponding  
16 charges in a manner that informs the general public within the designated service  
17 area of both the services available and the corresponding charges. dPi advertises  
18 its services through several different media of general distribution including (but  
19 not limited to) marketing at targeted retail locations, including rent-to-own  
20 centers, as well as advertisements via television, radio, newspapers and trade  
21 magazines. A copy of a sample sales brochure is attached hereto as Exhibit C. A  
22 copy of a sample newspaper advertisement is attached hereto as Exhibit D.

1  
2 **Q: IS DPI ABLE TO SATISFY EACH OF THE ADDITIONAL**  
3 **REQUIREMENTS ESTABLISHED IN THE FCC'S MARCH 17, 2005**  
4 **ORDER?**

5 **A:** Yes. dPi will provide each of the supported services identified in 47 C.F.R.  
6 §54.101 as follows:

7 a. dPi will commit to provide service throughout its proposed designated  
8 service area to all customers making a reasonable request for service. dPi  
9 certifies that it will (a) provide service on a timely basis to requesting customers  
10 within the applicant's service area where the applicant's network already passes  
11 the potential customer's premises; and (b) provide service within a reasonable  
12 period of time, if the potential customer is within dPi's licensed service area but  
13 outside its existing network coverage, if service can be provided at reasonable  
14 cost by reselling services from another carrier's facilities to provide service.  
15 b. Under FCC guidelines, an ETC Applicant must submit a five-year plan  
16 that describes with specificity proposed improvements or upgrades to the  
17 applicant's network on a wire center-by-wire center basis throughout its proposed  
18 Designated Service Area. The only circumstance warranting deviation from this  
19 requirement is where an applicant's requested ETC serving territory would qualify  
20 it to receive no "high cost" USF support, but only "low income" USF support.

21 Because dPi seeks ETC designation solely for purposes of reimbursement  
22 for provision of subsidized Lifeline and Link-Up services to eligible customers,  
23 submission of a Five-Year Network Improvement Plan is not required at this time.



1        Since Lifeline support is designed to reduce the monthly cost of  
2        telecommunications services for eligible consumers, and is distributed on a per-  
3        customer basis and is directly reflected in the price that the eligible customer pays,  
4        it is assured that all support received by the carrier is used to provide Lifeline  
5        services to consumers, thus promoting Lifeline and the availability of telephone  
6        service to low income users, which is clearly in the public interest.

1  
2 c. Providing service to its customers through resale or the use of switched  
3 port/loop combination UNEs, leased from the ILECs, allows dPi to provide to its  
4 customers the same ability to remain functional in emergency situations as  
5 currently provided by the ILECs to their own customers (including access to a  
6 reasonable amount of back-up power to ensure functionality without an external  
7 power source, rerouting of traffic around damaged facilities, and the capability of  
8 managing traffic spikes resulting from emergency situations). Further, by nature  
9 of the fact that these services are implicitly included in the rates that dPi pays to  
10 the ILECs, these capabilities are also available to dPi's customers. A copy of  
11 dPi's policy concerning operations during emergencies is attached hereto as  
12 Exhibit C.

13 d. dPi will satisfy applicable consumer protection and service quality  
14 standards. Under FCC guidelines, an ETC Applicant must demonstrate that it will  
15 satisfy applicable consumer protection and service quality standards. 47 CFR  
16 §54.202(a)(3); FCC ETC Order at Para 28. Applicant will satisfy all such  
17 standards. As part of its certification requirements for providing local exchange  
18 services, Applicant must abide by the service quality and consumer protection  
19 rules. In addition, Applicant commits to reporting information on consumer  
20 complaints per 1,000 lines on an annual basis consistent with the FCC's ETC  
21 Order. Applicant in general commits to satisfying all such applicable state and  
22 federal requirements related to consumer protection and service quality standards.

1

2

e. dPi's service consists only of a pre-paid offering. dPi's offering includes

3

a local usage component with unlimited local calling similar to the ILECs' basic

4

local service offerings. Specific recurring and non-recurring price information

5

for dPi's services is attached hereto as Exhibit F. The amount of credits that will

6

be provided to eligible low participating in the lifeline and link-up program, is set

7

forth in proposed tariff revisions, which are attached hereto as Exhibit G.

f. dPi acknowledges that the FCC may require it to provide equal access to long-distance carriers in the event that no other eligible telecommunications carrier is providing equal access within the service area.

g. As relevant to the Commission's public interest inquiry, dPi's presence will undeniably include a benefit of increased customer choice, as dPi's pre-paid service offering is unique, and serves a specific sector of the public who might well not otherwise have wire line telephone service.

h. dPi does not seek designation below the study area level of a rural telephone company, and therefore, no "cream skimming" analysis is required. Likewise, dPi does not seek designation as an ETC for any part of tribal lands. Therefore, the public notice requirements established by the FCC for tribal lands do not apply.

**Q: IN WHAT SERVICE AREAS IS DPI SEEKING DESIGNATION AS AN ETC?**

**A:** Pursuant to Section 54.207 of the FCC's rules, a "service area" is a "geographic area established by a state commission for the purpose of determining universal service obligations and support mechanisms." 47 C.F.R. § 54.207(a). For service areas served by non-rural ILECs such as BellSouth/AT&T, there are no restrictions on how a Commission defines the "service area" for purposes of designating a competitive ETC. dPi proposes a service area consisting of each of the BellSouth wire centers in South Carolina which are set forth in Exhibit B referenced above.

1  
2 **Q: DOES DPI PROVIDE TELECOMMUNICATIONS SERVICE**  
3 **THROUGHOUT THE NON-RURAL ILEC SERVICE AREAS FOR**  
4 **WHICH IT SEEKS ETC DESIGNATION?**

5 **A:** Yes.

6 **Q: BEFORE DESIGNATING DPI AS AN ETC, IS THE COMMISSION**  
7 **REQUIRED TO FIND THAT THE DESIGNATION IS IN THE PUBLIC**  
8 **INTEREST?**

9 **A:** Yes.

10 **Q: HOW, AND IN WHAT TERMS, WILL DPI'S PRESENCE AS AN ETC IN**  
11 **SOUTH CAROLINA AFFECT THE MARKET AS A WHOLE AND THE**  
12 **PUBLIC INTEREST GENERALLY?**

13 **A:** A grant of dPi's application will serve the public interest and the market as a  
14 whole by promoting additional deployment of dPi's unique pre-paid local service.  
15 It is important to note that most of dPi's customers do not meet the traditional  
16 "creditworthiness" test of ILECs and CLECs, and therefore, many are unable to  
17 obtain wire line local exchange service. dPi's designation as an ETC will bring  
18 consumers the benefits of its unique service to a specific segment of the market.  
19 Furthermore, A central purpose of the Telecommunications Act of 1996 was to  
20 "promote competition and reduce regulation ... [thereby securing] lower prices  
21 and higher quality services ... and encourage the rapid deployment of new  
22 telecommunications technologies."<sup>1</sup> Designation of dPi as an ETC would further

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<sup>1</sup> The Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat.

1       these goals. Granting ETC status to dPi would allow the Company to obtain  
2       federal universal service support, which it will use to offer innovative  
3       telecommunications services at competitive prices to non-rural consumers in the  
4       Designated Service Area.

5       **Q: IF DPI'S PETITION IS GRANTED, WILL THERE BE ANY FINANCIAL**  
6       **IMPACT ON THE UNIVERSAL SERVICE FUND OR THE FEDERAL**  
7       **UNIVERSAL SERVICE FUND SURCHARGE THAT SOUTH CAROLINA**  
8       **END USERS PAY?**

9       **A:** No.

10      **Q: HAS DPI BEEN GRANTED ETC STATUS BY ANY STATE**  
11      **COMMISSIONS?**

12      **A:** Yes, dPi has been designated as ETC by the Alabama Public Service Commission,  
13      the North Carolina Public Utilities Commission, and the Texas Public Utility  
14      Commission. No state has denied any ETC petition filed by Applicant, nor have  
15      any such petitions been withdrawn. Applicant has petitions for ETC status  
16      pending in Arkansas, Florida, Georgia, Kansas, Louisiana, Missouri, and  
17      Oklahoma.

1 **Q: DOES DPI HAVE THE FINANCIAL ABILITY TO CONTINUE TO**  
2 **PROVIDE SERVICES IN THE STATE OF SOUTH CAROLINA?**

3 A: Yes, DPI Teleconnect, LLC is a subsidiary of Rent-A-Center, Inc. ("RAC")  
4 which is a publicly traded corporation on NASDAQ (Symbol RCII) with annual  
5 revenues approaching \$3 billion. DPI is consolidated into RAC's published  
6 financials which are a matter of public record. RAC issues letters of credit and/or  
7 bonds on behalf of DPI as needed to comply with regulatory requirements.

8 **Q: PLEASE DESCRIBE DPI'S PROCESSES AND PROCEDURES TO**  
9 **ENSURE COMPLIANCE WITH STATE AND FEDERAL RULES**  
10 **GOVERNING LIFELINE AND LINK-UP PROGRAMS, SPECIFICALLY**  
11 **THE RULES PERTAINING TO VERIFICATION AND CERTIFICATION**  
12 **OF ELIGIBILITY.**

13 A: Please see a copy of dPi's internal control processes, which is attached hereto as  
14 Exhibit H.

15 **Q: HAS DPI BEEN AUDITED BY USAC, OR ANY OTHER ENTITY,**  
16 **PERTAINING TO LIFELINE AND LINK-UP?**

17 A: No.

18 **Q: DOES THIS CONCLUDE YOUR TESTIMONY?**

19 A: Yes.